



CALIFORNIA ASSOCIATION OF REALTORS®

February 11, 2010

Monica Rudman, Program Manager
California Energy Commission
1516 Ninth Street, MS-23
Sacramento, California 95814

RE: Comments on the Draft Energy Aware Planning Guide

Dear Ms. Rudman:

Thank you for the opportunity to provide comments on the draft Energy Aware Planning Guide. We very much appreciate the chance to offer constructive input and look forward to continuing to collaborate with the Commission on workable, cost effective improvements to energy and water efficiency.

We are concerned that in the Energy Aware Planning Guide recommendations set out in sections: B.1.4 Retrofitting Residences, B.1.5 Retrofitting Commercial Buildings, D2 Background: Urban Water Conservation, W.2.1. Water Efficient Landscaping and W.4.1 Efficient Wastewater Treatment, there are multiple references to enacting local ordinances and general plan language that impose a time of sale trigger for both energy and water efficiency audits and retrofits. The legislature has repeatedly rejected such time of sale approaches, indicating that it should only be considered as a last resort and should avoid burdening a transfer.

The CALIFORNIA ASSOCIATION OF REALTORS® strongly opposes the use of time of sale as a trigger for mandated real estate audit and retrofit ordinances. Encouraging local governments to enact time of sale ordinances will only serve to exacerbate housing affordability problems and create burdensome and costly transaction delays. Every \$1,000 increase in the price of a home disqualifies over 20,000 California households from achieving home ownership. Even in the current market, housing affordability in California is still abysmal because financing has become more restrictive. Furthermore, with less than 2% of homes changing hands each year, even in a robust market, enforcing audits and retrofits upon resale will take too long to attain the resource savings this guide seeks to achieve and will ultimately fail to reach the targeted housing stock within a meaningful timeframe.

In keeping with the goals of California's statewide and national energy and environmental policies and commitments, we respectfully suggest that the key to achieving energy and water efficiency in existing homes lies in a broad, statewide approach that would reach all California homes.

The CALIFORNIA ASSOCIATION OF REALTORS® would like to bring to your attention recent legislation which has considered time of sale as an approach to achieving energy and water use efficiency. In each instance the legislature rejected time of sale and instead enacted legislation employing a comprehensive statewide approach for auditing and retrofitting the existing housing stock.

Introduced in 2009, SB 407, by Senator Padilla, and co-sponsored by the Association of California Water Agencies, Metropolitan Water District, and the San Francisco Public Utilities Commission,



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proposed a retrofit upon resale measure for residential and commercial plumbing fixtures. The bill was thoroughly debated by the legislature, and upon consideration, the legislature rejected the retrofit upon resale approach in favor of a date-certain mandate for all residential and commercial structures throughout the state. SB 407 (Padilla, 2009), which was signed into law by Governor Arnold Schwarzenegger on October 11, 2009, requires that all non-compliant plumbing fixtures be replaced by water-conserving fixtures in single-family residential homes by 2017 and in multi-family and commercial buildings by 2019. Disclosure of this law to prospective purchasers will also be required.

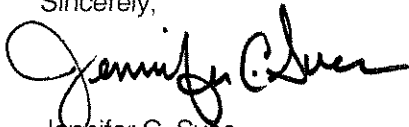
AB 758, by Assembly members Skinner and Bass, would have required energy audits and recommended retrofits to be made at the time of sale. Upon consideration, the legislature removed the time of sale language, and instead AB 758 (Skinner & Bass, 2009) tasks the State Energy Commission and Public Utilities Commission with developing a comprehensive statewide campaign to achieve flexible cost-effective energy efficiency improvements for existing buildings that will not unreasonably or unnecessarily impact the home purchasing process while being cost effective. AB 758 (Skinner & Bass, 2009), which was signed by the Governor on October 11, 2009, requires regulatory proceedings for the development of this statewide program to begin March 1, 2010.

As an alternative to time of sale mandates, C.A.R. supports voluntary programs, including: low-interest financing for homeowners and commercial property owners seeking to make efficiency improvements, education and incentive programs, accelerated meter installation, and community-wide comprehensive approaches to energy and water ratings and/or audits.

The continued inclusion of time of sale recommendations in this guide, particularly when treated as anything other than a "last resort," can only result in confusion with recently enacted statutes and current regulation development.

Thank you again for your consideration, the CALIFORNIA ASSOCIATION OF REALTORS® is pleased to have the opportunity to work constructively with the California Energy Commission on its final Energy Aware Planning Guide.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer C. Svec". The signature is fluid and cursive, with the first name being the most prominent.

Jennifer C. Svec
Legislative Advocate